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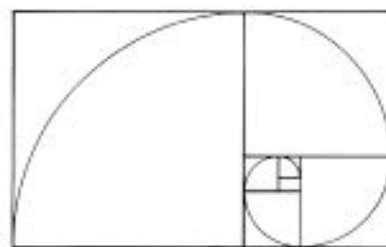
Research Spotlight

Learn more about the new Berkeley Center for Equitable Growth and the Center for Evaluation of Global Action.

The Center for Equitable Growth was created to promote research that explores ideas for achieving economic growth that is fairly distributed. The key goals of the Center are to encourage research in equitable growth and help develop public policy in areas of tax policy, transfer programs for low income families, social insurance programs, educational, health, and environmental policies, and institutional reform.

The Center is particularly interested in research on the links between inequality and economic growth, the effects of government policies on both the distribution of economic well-being and economic growth, and how public views on equity and fairness affect policy making.

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The BCEG logo is based on the Golden Ratio and the Fibonacci spiral.

Note from the Chair



Greetings!

I am happy to report that the Berkeley economics Department is doing quite well despite a very rough year in 2009-2010 from the financial point of view. The National Research Council issued its ranking of graduate programs in the United States for the first time since 1995. This ranking is based on surveys done in 2006. Our Department is ranked between the third place and the 7th place. Only Harvard, MIT and Chicago were ranked better than us. In another international ranking of the top 100 departments in economics done by Tilburg University, our ranking was also placed number 4.

This improvement in the rankings is due to the great research of my colleagues. Just in the past academic year, our colleague Oliver Williamson received the Nobel prize, Emmanuel Saez who won the Clark medal in 2009 was elected fellow of the American Academy of Arts and Sciences and also received the Macarthur “genius” award in recognition of his path-breaking work on income inequality and in public economics and tax policy.

Matthew Rabin had received that award in 2000. Ulrike Malmendier and Adam Szeidl received the Alfred P Sloan Research Fellowship, bringing the total of Sloan fellowships in our Department to 23. Our young colleague Yuriy Gorodnichenko was awarded (jointly with Klara Sabirianova Peter and Jorge Martinez-Vazquez) the Russian National Prize in Applied Economics. He also was awarded in 2010 the Montias prize for the best paper published in the Journal of Comparative Economics, and is one of the prize winners of the Excellence Award in Global Economic Affairs for 2011 delivered by the Kiel Economics Institute.

We are happy that Christina Romer came back from Washington, together with David Romer, after nearly two years as Head of the Council of Economic Advisors of the Obama administration. Our students will benefit from her experience and her knowledge. Her departure is a loss for the country in these extremely difficult times but a gain for us.

The great shape of our Department is not only due to the very innovative research done by my colleagues and their contributions to economic policy domestically and abroad. Very generous gifts from donors have helped to keep the Department in good financial shape. Chris Shannon received the Richard and Lisa Steiny Chair thanks to a Hewlett chair donation from the Steiny family. Jim Powell received the Helen Schneck and George Break Chair thanks to a generous donation from the late George Break including a one million dollar endowment for graduate students. Emmanuel Saez received the E. Morris Cox chair, which is a Chancellor’s chair that was previously held by Dan McFadden. The Sandler Foundation has established in our Department a new Center, the Center for Equitable Growth with Emmanuel Saez as Director. The Sandler Foundation will donate \$1 million a year for the next few years to fully develop the Center. Similarly, the Institute for New Economic Thinking established by George Soros allocated a sum of \$1.25 million for the creation of a Berkeley Economic History Lab to reinforce our strength in economic history. I also want to mention the numerous other gifts from our alumni who keep supporting us year after year. My colleagues are very appreciative of the financial support received from all sides. This support not only makes it possible to continue doing cutting edge research at Berkeley but also encourages us in our competition with the very top departments in the country to attract the best graduate students and researchers.

Gérard Roland

Faculty News and Events

Faculty News

Christina Romer, Chair of the Council of Economic Advisers for the Obama Administration, returned to the department during the Fall 2010 semester.

Yuri Gorodnichenko was awarded the Montias prize for the best paper published in the Journal of Comparative Economics in the last two years and the 2010 Excellence Award in Global Economics Affairs from the Kiel Institute for the World Economy.

Emmanuel Saez was named a 2010 MacArthur Foundation Fellow, in recognition of his quantitative analyses, behavioral experiments and theoretical insights for “enhancing our understanding of the relationship between income and tax policy and reinvigorating the field of public economics.” Professor Saez is the E. Morris Cox Professor of Economics and Director of the new Berkeley Center for Equitable Growth.

Ben Handel will be joining the Economics department as an Assistant Professor in 2011. Dr. Handel is the current Robert Wood Johnson scholar in Health Policy Research.

Professor Pranab Bardhan gave public lectures around the theme of his recent book, “Awakening Giants, Feet of Clay: Assessing the Economic Rise of China and India,” at London School of Economics, Paris School of Economics, IESE (Barcelona), Brown University, India International Centre (New Delhi), National University of Singapore, Columbia University, World Bank, Asia Society (Houston), University of Illinois (Carbondale).

Professor Bardhan also served as **BP Centennial Professor** at the London School of Economics for the Summer Term, 2010 and has been

awarded grants from WIDER, Helsinki and from International Growth Centre, London for research on Decentralization. Additionally, Professor Bardhan presented papers at a joint seminar of University College and London School of Economics entitled, “A Model of Political Clientelism” and in Delhi on “Challenges of Social Democracy in India.”

Professor Claire Brown has been awarded the LERA Lifetime Achievement Award. LERA is the preeminent academic association for researchers who study labor, employment and the workplace. The award will be conferred in January 2011 in Denver, at the annual meeting of LERA.

Professor Bronwyn Hall is involved with R&D and innovation policy on both sides of the Atlantic, as co-chair of a National Academies

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Committee on measuring the impacts of federal R&D and as a member of an Expert Group on measuring innovation at the Research Directorate General of the European Commission. This fall she helped organize two conferences in Europe on R&D, productivity, and patents, and gave the Globalization Seminar Lecture at Queen Mary University London.

UC Berkeley Economics History Lab Awarded a Grant from the Institute for New Economic Thinking – INET has selected Economics Professor Barry Eichengreen to receive a \$1.25 million taskforce grant through the Institute's Inaugural Grant Program, in order to establish the Berkeley Economic History Laboratory. The new lab will train economists to be more historically literate so they can better contribute to policy debates and help avoid devastating economic crises. Additionally, the grant will aid in attracting top-flight PhD candidates with graduate and post-doctoral fellowships in the field of economic history.

Events

Hitchcock Lecture Series -

Leading behavioral economist, Richard Thaler, delivered the historic Hitchcock Lectures at UC Berkeley in October 2010.

Thaler delivered two well-attended lectures, titled, "Studying Economic Behavior in Unusual Places: From Deal or No Deal to the National Football League," and "Rethinking Regulation after the Financial Crisis and the Oil Spill: A Behavioral Approach."

The Hitchcock Lectures were endowed by Dr. Charles M. Hitchcock in 1885 to institute a professorship at UC Berkeley. Linus Pauling, Robert Oppenheimer, and Stephen Hawking are among the many distinguished scholars who have served as Hitchcock professors in the more than a century since the lectures began. The lectures are free and open to the public.

The Berkeley Economics History Lab hosted a conversation with students and faculty on **"Changing the Paradigm: The Challenge to the Economics Profession in the Aftermath of the Crisis and the Role of the Institute for New Economic Thinking."** The talk was presented in October and featured Dr. Robert Johnson, Executive Director of INET, and UC Berkeley Economics Professors Barry Eichengreen, Bradford De Long, and Christina Romer. The session looked specifically at economics in academia, the challenges faced by the economics profession, and what must be done to change prevailing paradigms.

Department News

Staff Announcements

- Departures
- New Staff
- Service
- Activities



Staff Departures

Jenny Cornet, Undergraduate Advisor, accepted an advisor position in the College of Natural Resources, a position that provides her with an opportunity to further her career by advising students at the college level, across multiple majors. Jenny truly transformed all facets of the undergraduate office during her four-year tenure, and she received much praise during this time from the faculty, staff and students. We wish Jenny the best in this opportunity and know that she will be very successful.

New Staff

Christina Yasi joined the department in September as our new undergraduate advisor. Christina has an extensive background in higher education administration and has worked directly with undergraduate students for several years. For the last five years, she has worked at Cal as the undergraduate major advisor in the Molecular and Cell Biology Department. Christina has also been very active within the College, serving on Letters and Science advisory committees and presenting recently at a national advising conference (NACADA). We feel very fortunate to have Christina joining our student services team!

Support

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Visit [Give to Cal](#) to make your gift to Economics!

Alex Mastrangeli, Director of Administration for Economics, received recognition for 20 years of service on September 10

Phil Walz, Manager of Student Services was recognized for 10 years of service on June 10;

Joseph Sibol, Main Office Coordinator, reached 10 years of service on July 10.

Congratulations and a hearty thanks to all of you for your commitment to the university!

Heather Read, Personnel Analyst, took 1st place at the Alameda County Fair for her Lemon Glazed Gingerbread. Just in time for the holidays!

Check out the recipe!

Lemon Glazed Gingerbread

1 ²/₃ C. flour
 1 ¹/₄ tsp. baking soda
 1 ¹/₂ tsp. ground ginger
 3/4 tsp. ground cinnamon
 3/4 tsp. salt
 1 egg, lightly beaten
 1/2 C. sugar
 1/2 C. molasses
 1/2 C. boiling water
 1/2 C. vegetable oil

Lemon Glaze (optional)

2/3 C. powdered sugar
 3 Tbs. lemon juice
 Whisk until smooth.

Preheat oven to 350°F. Grease and flour 2 mini loaf pans. Sift dry ingredients together in a mixing bowl.

Add egg, sugar, and molasses. Mix well. Pour boiling water and the oil over mixture. Stir thoroughly until smooth. Pour batter into the prepared pans. Bake 35-40 minutes. Cool 10 minutes in pan. While still hot, pour lemon glaze over the top.

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Continued from page 1

Research based on other countries' experiences is also examined when it can inform US domestic policies and US international aid policy.

Directed by Emmanuel Saez in the UC Berkeley Department of Economics, the Center funds Berkeley faculty and graduate student research, as well as visiting faculty and post-docs to come to Berkeley and pursue research projects in areas of equitable growth. To this end, the Center is primarily interested in research that can inform decisions promoting equitable growth and intends to fund faculty grants and fellowships for advanced PhD students whose research seeks to develop innovative policies that could produce strong, sustainable growth that is fairly shared. For more information, visit the website: <http://ceg.berkeley.edu>.

Current BCEG Research Projects

Emmanuel Saez

How Does Your Kindergarten Classroom Affect Your Earnings? Evidence from Project STAR

Stefano Dellavigna

The Obama Effect on Economic Outcomes: Evidence from Event Studies

Yuriy Gorodnichenko

Specialization, Economic Development and Inequality

Patrick Kline

Assessing the Incidence and Efficiency of a Prominent Place Based Policy

Botond Kőszegi

Borrower Naivete in the Credit Market

Edward Miguel

Vocational Education Impacts and Inequality in Kenya

Enrico Moretti

Inequality, Peer Salary Disclosure and Job Satisfaction: Evidence from a Field Experiment

Michael Reich

New Hires, Quits, and Churning in Low-Wage Labor Markets: Evidence from a Spatial Discontinuity Research Design



The Center of Evaluation for Global Action (CEGA) is the University of California's premiere center for research on global development. They are focused on improving the results of large-scale social and economic programs throughout the world. CEGA researchers rigorously test the assumptions, and measure the outcomes, of innovative policies and programs that are intended to improve the lives of the poor. They routinely cross disciplinary boundaries, challenge conventional thinking, and generate knowledge about which anti-poverty programs work-and why. As a result, their research has produced some of the most influential and policy-relevant studies in recent years, from evaluating conditional cash transfers for education to assessing the impact of community-led development and farmer's crop insurance.

This year CEGA helped launch a new effort to improve the adoption of agricultural technology by small-scale farmers in Sub-Saharan Africa. Called the Agricultural Technology Adoption Initiative (ATAI), this 6-year research program is a collaboration of CEGA, the Jameel Poverty Action Lab at MIT, and the Bill & Melinda Gates Foundation. ATAI will address the barriers that prevent poor farmers from investing in profitable agricultural technologies (like fertilizer, improved seed, and small-scale irrigation systems). The initiative funds randomized evaluations of strategies to improve technology adoption-including novel approaches for marketing, financing, and distribution.

Projects led by CEGA researchers include: An evaluation of how price discounts and farmer cooperatives affect fertilizer use in Kenya. A study of how social networks impact adoption of sustainable farming practices in Malawi. A pilot investigation of whether "collective action" interventions for West African smallholders can achieve sustainable market access CEGA is also committed to bringing evidence to development partners. In September 2010, CEGA researcher Eli Berman (UC San Diego) helped launch the first "Evidence Summit" in Washington DC, with a talk about the evaluation of counter-insurgency and counter-terrorism strategies in Iraq. The monthly Summit is part of a new professional development series at USAID, intended to expose DC-based staff to the latest lessons from rigorous research. For more information about our work and upcoming events, visit us at <http://cega.berkeley.edu>.

2010-11 Job Market Candidates

Kehinde Ajayi – *“Essays on School Choice and the Returns to School Quality”* Fields: Economics of Education, Development Economics, Labor Economics. Advisors: David Card, David Levine, Edward Miguel

Zhiyong An – *“Secure Private Property Rights and Economic Growth: Empirical Evidence from a Natural Experiment in China”* Fields: Public Finance, International Economics, Macroeconomics. Advisors: Alan Auerbach, Emmanuel Saez, Kim Bloomquist

Mariana Carrera – *“Essays on the Economics of Drug Prescribing and Utilization”* Fields: health Economics, Labor Economics. Advisors: Enrico Moretti, Stefano Della Vigna, David Card

Yah Chi Vinci Chow – *“Do Online Gamers Overplay?”* Fields: Psychology and Economics, Experimental Economics. Advisors: Stefano Della Vigna, Ulrike Malmendier, Matthew Rabin, Botond Koszegi

Garret Christensen – *“Essays on Applied Econometrics”* Fields: Labor Economics, Development Economics, Applied Econometrics. Advisors: Edward Miguel, Justin McCrary, David Card

Kalena Cortes – *“Essays on the Heterogeneity of Immigrant Groups in the United States: Testable Implications Using Human Capital Theory”* Fields: Labor Economics, Economic Demography, Public Policy, Applied Econometrics. Advisors: David Card, Marta Tienda, Richard Mumane, Steven Raphael

Shari Eli – *“Essays on Income and Health”* Fields: Economic History, Economic Demography, Labor Economics. Advisors: Barry Eichengreen, Ronald Lee, Brad DeLong.

Ricardo Fernholz – *“Exchange rates, information, and Crises”* Fields: International Finance, Game Theory, International Economics. Advisors: Pierre-Olivier Gourinchas, David Ahn, Barry Eichengreen

Justin Gallagher – *“Essays in Environmental Economics”* Fields: Environmental Economics, Labor Economics, Applied Microeconomics. Advisors: Enrico Moretti, David Card, Stefano Della Vigna, Michael Greenstone

Ashley Hodgson – *“The Economics of Medical Technology and Innovation”* Fields: Health Economics, Public Finance, Industrial Organization. Advisors: Alan Auerbach, Emmanuel Saez, Richard Scheffler

Brad Howells – *“Essays in the Economics of Healthcare and Health Insurance”* Fields: Health Economics, Labor Economics. Advisors: David Card, Carols Dobkin, Patrick Kline

Salifou Issoufou – *“Essays in Macroeconomics”* Fields: Macroeconomics, Monetary Economics, International Economics. Advisors: David Romer, Yuriy Gorodnichenko, Barry Eichengreen

Maximilian Kasy – *“Essays in Microeconometrics”* Fields: Econometrics, Labor Economics, Public Finance. Advisors: James Powell, Michael Jansson, Bryan Graham

Maciej Kotowski – *“Essays in Auction Theory and Mechanism Design”* Fields: Game Theory, Economic Theory. Advisors: Shachar Kariv, Ben Hermalin, Steven Tadelis

Sally Kwak – *“Essays on the Economics of Education”* Fields: Public Finance, Labor Economics, Applied Microeconomics.

Advisors: David Card, Emmanuel Saez, Enrico Moretti, Mary Burke.

Matthew Levy – *“Essays in Psychology and Economics”* Fields: Behavioral Economics, Public Economics, Health Economics. Advisors; Matthew Rabin, Stefano Della Vigna, Botond Koszegi

Nicholas Li – *“Essays in International Economics and Development”* Fields: Development Economics, International Economics. Advisors: Pierre-Olivier Gourinchas, Edward Miguel, Chang-Tai Hsieh

Juan Sebastian Lleras – *“Essays on Decision Theory”* Fields: Decision Theory, Microeconomic Theory, Mathematical Economics. Advisors: David Ahn, Chris Shannon, Shachar Kariv

Vikram Maheshri – *“Essays on Special Interest Politics”* Fields: Political Economy, Industrial Organization. Advisors: Gerard Roland, Ernesto Dal Bo, Shachar Kariv, Alan Auerbach

Anne Moore – *“Essays on International Taxation”* Fields: Public Finance, Corporate Finance, Public Policy. Advisors: Alan Auerbach, Emmanuel Saez, James Hines

Owen Ozier – *“Essays in Empirical Development Economics”* Fields: Development Economics, Econometrics. Advisors: Edward Miguel, Frederico Finan, Justin McCrary, Esther Duflo

Joshua Palmer – *“Looking back with interest: A merger retrospective of the U.S. banking industry”* Fields: Industrial Organization, Behavioral Economics, Applied Microeconometrics. Advisors: Joseph Farrell, Carl Shapiro, Sofia Berto Villas-Boas

Haonan Qu – “*Essays on Finance and International Economics*” Fields:

Finance, International Economics.

Advisors: Ulrike Malmendier, Pierre-Olivier Gourinchas, Robert Anderson, Adam Szeidl

Michael Schihl – “*Essays in Economics and Institutions*” Fields:

Microeconomics, Industrial Organization, Economics of Transition.

Advisors: Gerard Roland, Bryan Graham, Richard Gilbert

Karen Selody – “*Essays in Behavioral Finance*” Fields: Corporate Finances,

Behavioral Economics & Finance, Applied Microeconomics. Advisors: Ulrike Malmendier, Stefano Della Vigna, Terrance Odean

Ity Shurtz – “*Essays in the Economics of Healthcare and Medical*

Malpractice” Fields: Public Finance, Health Economics. Advisors: Emmanuel Saez, Raj Chetty, David Card

Claudia Ayanna Sitgraves – “*Essays on the Household-level Effects of House*

Price Growth” Fields: Real Estate Economics, Urban Economics, Applied Econometrics. Advisors: John Quigley, Ingrid Gould Ellen, Dwight M. Jaffee

Congyan Tan – “*Investment under Financial Frictions*” Fields: Corporate

Finance, Macroeconomics. Advisors: Ulrike Malmendier, Yuriy Gorodnichenko, Robert Anderson

Philippe Wingender – “*Essays in Public Economics*” Field: Public Finance.

Advisor: Emmanuel Saez, Alan Auerbach, Patrick Kline

Yiqin Jane Zhang – “*Essays on Gender, Ethnicity, Competition, and*

Educational Outcomes” Fields: Development Economics,

Economics, Applied Econometrics.

Advisors: Edward Miguel, Shachar Kariv, Ulrike Malmendier

John Zhu – “*Essays in Dynamic Incentive Misalignment*” Fields:

Contract Theory, Corporate Finance, Microeconomics. Advisors: Chris

Shannon, Robert Anderson, Benjamin Hermalin.

Give to
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Berkeley Economics wins the 2010 Little Big Game – The Core Stays!

Everyone knows the Big Game between Cal and Stanford is *the* event of the year, but most folks don’t know that Cal Economics has their own long standing tradition of challenging the Stanford Economics department to a fun-filled afternoon of football, basketball, volleyball, ultimate Frisbee, and soccer, otherwise known as the Little Big Game.

Held every November at the Big Game host campus, the event cites collaborations between Nobel Laureates Gerard Debreu (Berkeley) and Kenneth Arrow (Stanford) and up for grabs is the right to keep the Arrow-Debreu Trophy, commonly called “The Core.”

This year’s game was played at the UC Berkeley Clark Kerr fields, and saw Cal soundly defeated in every sport except soccer and football, which, in accordance with tradition, is the main and deciding event.



econ.berkeley.edu

Commencement 2011 and Enrollment Stats

The Economics Department Commencement will take place Wednesday, May 18, 2011 at 2pm in the Hearst Greek Theatre. This year's commencement speaker will be Professor Christina Romer. An informal reception will immediately follow at the Campanile Esplanade on the main campus. Each graduate will receive two free tickets. Any additional tickets will be \$10 each. Children under two years of age and graduating students will not need tickets.

2010-2011 Enrollment Statistics

Actively enrolled graduate students:	141
Actively enrolled undergraduate students:	836
Entering graduate students:	22

Degrees conferred in 2009-2010

PhD	28
MA	4

Make a gift to the Department of Economics

Your donation supports the entire Department of Economics Community – our alumni, students, faculty, staff, and friends. Berkeley Economics has a world-wide reputation for excellence of teaching as well as rigorous and innovative economic research. We are at the forefront of many exciting new developments in economics and this year are excited that Benjamin Handel will join our faculty after completing his program as a Robert Wood Johnson scholar in Health Policy Research at Berkeley. The generous gifts from our extended family are what make these achievements possible. Please take a moment to [make a gift to Economics!](#)



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Alumni Updates and Student News

Economics Alumni Updates

David Breneman, PhD '70, is a professor at the University of Virginia, having been the Dean of Education for 12 years, and the first Director of the new Frank Batten School of Leadership and Public Policy. This fall, Professor Breneman and his wife participated in Semester at Sea, a voyage around the world with over 600 students.

Jenna Mitelman, BA '03, now writes the Middle East Politics column for online magazine TC Jewfolk in Minneapolis, and is serving as Human Rights Commissioner for the City of Plymouth, MN.

Matt Johnson, BA '07, spent two years at the Brookings Institution in Washington DC, working on projects related to the global financial crisis, US productivity growth, and other issues. Johnson co-authored a paper called "The Origins of the Financial Crisis" that has been referenced in several online news sites, academic papers, and the Journal of Economic Perspectives. He now works

as a Research Associate at Harvard Business School, working on international finance and trade.

Turan Sahinkaya, BA '91, is a Senior Manager of Pricing in the Global Complex Pricing Group at AT&T. He has been recognized as a strong leader throughout his tenure with AT&T, managing the pricing function for complex deals that involve custom products and services, and has received the highly prestigious company-wide AT&T Global Award of Distinction for a sales tool innovation that resulted in cost savings of \$1,000,000 to the company. He also holds an MBA from Southern Methodist University in Dallas and resides in the Dallas area with his wife, Lori Sahinkaya, and their four boys.

Undergraduate News

Michelle Mengsu Chang has been selected to receive an IIS undergraduate merit scholarship and has been accepted as a member of the IIS Junior Scholars Program for Spring 2011.

Students and Alumni! We want to hear from you!

Send us your news and we'll include it in our next issue!

exchange@econ.berkeley.edu

